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# Employment Labor Market Information Bulletin

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## Rhode Island's Unemployment Rate Reflects Little Change in October

Rhode Island's seasonally adjusted unemployment rate for October was 4.4 percent, the lowest since January 2001. Mirroring the national trend, the October unemployment rate was down 0.1 of a percentage point from September. The number of employed Rhode Island residents increased slightly by 100 in October, while the number of unemployed Rhode Islanders declined by 1,000. A year ago, the unemployment rate was 5.4 percent and the jobless level stood at 30,200. The national jobless rate for October edged down to 6.0 percent from 6.1 percent in September. Rhode Island's unemployment rate remained below the national average for the twenty-seventh straight month.

"Rhode Island's unemployment rate was down only one-tenth of a percentage point in October and the number of jobs was essentially flat, indicating little change in labor market conditions over the month," said DLT Director Marvin D. Perry.

### Rhode Island Job Highlights

The Rhode Island job count reached its highest level (483,500 seasonally adjusted) in July 2003, before beginning three successive months of decline. Rhode Island businesses reported a loss of 100 jobs last month following declines in August and September of 1,700 and 700 jobs, respectively. October employment stood at 481,000, down 2,500 from the July peak, but still up 1,300 since the beginning of the year. Over-the-month decreases were reported in three of the seven measured sectors with the greatest losses occurring in Trade, Transportation & Utilities (-1,100), Manufacturing (-400) and Professional & Business Services (-200). (Continued on Page 4)

## 2004 UI & TDI Taxable Wage Bases

In accordance with state law, the Department has determined the 2004 taxable wage bases for the Unemployment Insurance and Temporary Disability Insurance programs. The wage base, on which Unemployment Insurance taxes will be paid during the tax year that begins January 1, will be \$14,000. This is an increase of \$2,000 from the 2003 taxable wage base of \$12,000.

The higher taxable wage base is the result of a declining balance in the Employment Security Fund. The taxable wage base is determined by the level of reserves in the Employment Security Fund. As of September 30<sup>th</sup>, there was \$194.5 million in reserves to pay benefits. According to the law, if the Employment Security Fund balance is more than \$175 million but less than \$225 million on September 30<sup>th</sup> the taxable wage base will be \$14,000 for the next calendar year.

While the wage base limits the amount of wages that are taxable, tax rates for individual employers will also vary according to their experience with the Unemployment Insurance system. Employers will be notified of their individual 2004 tax rates in December.

The Temporary Disability Insurance (TDI) taxable wage base will be \$46,800 in 2004, an increase of \$1,500 over the 2003 base of \$45,300. The TDI taxable wage base is set at the amount of earnings needed by an individual to qualify for the maximum weekly benefit of \$561 for the maximum duration of 30 weeks. As a result of a higher TDI Fund balance, the employee contribution rate for TDI will be lowered to 1.5 percent in 2004. This is a decrease of 11.8 percent from the 2003 rate of 1.7 percent. This will mean lower employee payroll deductions for TDI in 2004.

## Work Opportunity Tax Credit and Welfare-to-Work Tax Credit

Two Federal Tax Credit Programs, Work Opportunity Tax Credit (WOTC) and Welfare-to-Work Tax Credit (WWTC), will expire on December 31, 2003. DLT staff will continue to accept timely Certification Requests (IRS-8850) for WOTC and WWTC. In the past, when Federal Tax Credit Programs expired, the extension was made retroactive. This is not guaranteed, but usually occurs. If you have any questions, please call Joseph DesRoches, Federal Tax Credit Coordinator at (401) 462-8802 or Linda Nardella, Federal Tax Credit Manager, at (401) 462-8812.

## Rhode Island Labor Force Statistics\*

(in thousands)

	Seasonally Adjusted			Unadjusted		
	Oct 03	Sep 03	Oct 02	Oct 03	Sep 03	Oct 02
Civilian Labor Force	567.4	568.4	560.8	568.4	569.0	561.6
Resident Employment	542.6	542.5	530.6	544.8	543.6	532.8
Unemployment	24.8	25.8	30.2	23.7	25.4	28.8
Unemployment Rate	4.4%	4.5%	5.4%	4.2%	4.5%	5.1%

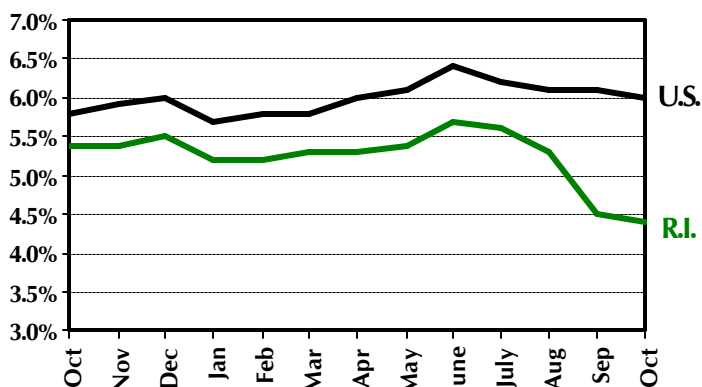
## United States Labor Force Statistics

(in thousands)

	Seasonally Adjusted			Unadjusted		
	Oct 03	Sep 03	Oct 02	Oct 03	Sep 03	Oct 02
Civilian Labor Force	146,793	146,545	145,393	146,787	146,166	145,320
Resident Employment	138,014	137,573	136,988	138,619	137,731	137,551
Unemployment	8,779	8,973	8,405	8,169	8,436	7,769
Unemployment Rate	6.0%	6.1%	5.8%	5.6%	5.8%	5.3%

## Rhode Island & United States Unemployment Rates

Seasonally Adjusted 2002-2003



## City & Town

### Unadjusted Unemployment Rates

	Oct 03	Oct 02**
Barrington	2.9	3.4
Bristol	3.5	4.0
Burrillville	4.3	5.6
Central Falls	7.0	8.9
Charlestown	3.5	5.0
Coventry	3.8	5.1
Cranston	4.4	5.1
Cumberland	4.5	5.0
East Greenwich	3.7	5.6
East Providence	4.0	5.9
Exeter	3.2	4.2
Foster	4.1	4.6
Glocester	3.3	3.9
Hopkinton	2.8	2.4
Jamestown	2.1	4.0
Johnston	4.4	5.6
Lincoln	4.1	4.8
Little Compton	2.5	4.9
Middletown	2.9	3.5
Narragansett	2.6	3.1
New Shoreham	1.9	2.0
Newport	2.9	3.5
North Kingstown	3.1	4.1
North Providence	3.8	5.3
North Smithfield	3.5	5.3
Pawtucket	5.7	6.3
Portsmouth	2.5	3.7
Providence	5.5	6.4
Richmond	1.9	2.8
Scituate	3.7	5.0
Smithfield	3.4	4.8
South Kingstown	2.9	3.3
Tiverton	4.4	4.5
Warren	3.5	4.4
Warwick	3.6	4.6
West Greenwich	4.5	5.1
West Warwick	4.0	5.1
Westerly	2.7	2.6
Woonsocket	6.1	7.7
State of R.I.	4.2	5.1

\*\* Revised

## Unemployment Insurance Claims Activity

	Oct	Sep	Oct	% Change		Year to Date		
	2003	2003	2002	Sep 03	Oct 02	2003	2002	% Change
Initial Claims	5,182	4,989	5,995	3.9%	-13.6%	71,472	69,660	2.6%
Number of Payments	40,175	51,326	41,849	-21.7%	-4.0%	595,982	598,452	-0.4%
Amount of Payments (gross millions)	\$12.5	\$15.5	\$12.8	-19.5%	-2.8%	\$178.4	\$177.0	0.8%
Exhaustions (Final Payments)	1,255	1,553	1,237	-19.2%	1.5%	15,400	15,286	0.7%
E.S. Fund Balance (millions)	\$214.8	\$221.5	\$263.8	-3.0%	-18.6%			

Rhode Island labor market information is available on the web at [www.dlt.ri.gov/lmi](http://www.dlt.ri.gov/lmi). If you find that the LMI web site meets your need for labor market information and you would like to be removed from the mailing list for this publication, please call LMI at (401) 462-8740 or e-mail us at [lmi@dlt.state.ri.us](mailto:lmi@dlt.state.ri.us).

\*Current month figures are preliminary; prior month and year are revised. Totals may not add due to rounding.  
Labor Force statistics are compiled by Labor Market Information, in cooperation with the Bureau of Labor Statistics, U.S. Dept. of Labor.

## Total Nonfarm Employment in Rhode Island\*

### October 2003

Sectors reflect the recent conversion from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS).  
Not all industries previously classified under a particular SIC are classified in a similarly titled NAICS sector.

	Employment in Thousands			Net Change From	
	Oct 2003	Sept 2003	Oct 2002	Sept 2003	Oct 2002
<b>Total Nonfarm</b>	<b>487.7</b>	<b>484.9</b>	<b>485.1</b>	<b>2,800</b>	<b>2,600</b>
<b>Goods Producing</b>	<b>81.6</b>	<b>81.8</b>	<b>82.2</b>	<b>-200</b>	<b>-600</b>
Natural Resources & Mining	0.3	0.3	0.2	0	100
Construction	21.2	21.3	19.9	-100	1,300
Specialty Trade Contractors	13.3	13.3	12.9	0	400
Manufacturing	60.1	60.2	62.1	-100	-2,000
Durable Goods	38.6	38.7	40.6	-100	-2,000
Fabricated Metal Product Mfg.	8.3	8.4	8.7	-100	-400
Computer & Electronic Product Mfg.	4.9	4.9	5.2	0	-300
Electrical Equipment & Appliance Mfg.	2.9	2.9	2.9	0	0
Transportation Equipment Mfg.	3.8	3.8	3.8	0	0
Miscellaneous Manufacturing	11.4	11.5	12.5	-100	-1,100
Jewelry & Silverware	8.5	8.6	9.4	-100	-900
Non-Durable Goods	21.5	21.5	21.5	0	0
Chemical Manufacturing	3.6	3.7	3.7	-100	-100
Plastics & Rubber Products Mfg.	3.4	3.4	3.2	0	200
<b>Service Providing</b>	<b>406.1</b>	<b>403.1</b>	<b>402.9</b>	<b>3,000</b>	<b>3,200</b>
Wholesale Trade	17.3	17.2	16.7	100	600
Retail Trade	55.5	54.8	53.5	700	2,000
Grocery Stores	6.3	6.3	6.4	0	-100
Health & Personal Care Stores	5.8	5.7	5.6	100	200
General Merchandise Stores	11.4	10.9	11.6	500	-200
Department Stores	5.1	4.8	5.4	300	-300
Other General Merchandise Stores	6.3	6.2	6.2	100	100
Transportation, Warehousing & Utilities	11.6	11.6	11.5	0	100
Transportation & Warehousing	10.4	10.4	10.3	0	100
Information	10.9	11.0	11.2	-100	-300
Publishing	3.5	3.4	3.4	100	100
Financial Activities (including Real Estate)	32.5	32.7	32.5	-200	0
Finance & Insurance	26.5	26.7	26.6	-200	-100
Credit Intermediation & Related Activities	12.2	12.2	12.0	0	200
Insurance Carriers & Related Activities	10.6	10.7	10.9	-100	-300
Professional & Technical Services	18.5	18.6	19.1	-100	-600
Management of Companies & Enterprises	6.8	6.8	6.5	0	300
Administrative & Waste Services	24.2	24.2	24.1	0	100
Educational Services	19.2	17.2	19.7	2,000	-500
Colleges & Universities	12.3	10.5	13.5	1,800	-1,200
Health Care & Social Assistance	71.5	71.1	69.6	400	1,900
Ambulatory Health Care Services	21.1	21.0	20.0	100	1,100
Hospitals	22.5	22.4	22.3	100	200
Nursing & Residential Care Facilities	17.9	17.8	17.5	100	400
Social Assistance	10.0	9.9	9.8	100	200
Arts, Entertainment & Recreation	7.6	8.5	7.7	-900	-100
Accommodation & Food Services	41.0	41.9	41.3	-900	-300
Accommodation	4.3	4.5	4.6	-200	-300
Food Services & Drinking Places	36.7	37.4	36.7	-700	0
Other Services	23.0	22.8	22.6	200	400
Government	66.5	64.7	66.9	1,800	-400
Federal Government	10.4	10.4	10.4	0	0
State Government	17.9	16.9	18.3	1,000	-400
Local Government	38.2	37.4	38.2	800	0
Local Education	25.1	24.2	25.2	900	-100
Local Non-Ed	13.1	13.2	13.0	-100	100

\*Not seasonally adjusted.

For more detail see "Introducing NAICS" at [www.dlt.ri.gov/lmi/es202/naics/naics.htm](http://www.dlt.ri.gov/lmi/es202/naics/naics.htm).

Some subcategories are not additive.

## Rhode Island's Unemployment Rate Reflects Little Change in October

(Continued from Page 1)

The more detailed unadjusted employment estimates increased by 2,800 over the month, reflecting the continued return of workers in education-related industries. The unadjusted job count for October stood at 487,700 compared to 484,900 in September. Seasonal gains were reflected in Educational Services (+2,000), Government (+1,800), and Retail Trade (+700). Several industries reported job losses typical for this time of year. The largest decreases were noted in Accommodation & Food Services (-900) and Arts, Entertainment & Recreation (-900).

Over the year, employment (unadjusted) was up 2,600 from the 485,100 jobs reported in October 2002. Increases in Retail Trade (+2,000), Health Care & Social Assistance (+1,900), Construction (+1,300) and Wholesale Trade (+600), overshadowed the major decreases reported in Manufacturing (-2,000), Professional & Technical Services (-600), Educational Services (-500) and Government (-400).

The \$12.92 average hourly wage earned by the Manufacturing sector's production workers in October 2003 represents a yearly gain of twelve cents per hour and an over-the-month increase of four cents per hour. In October 2003, Manufacturing employees worked an average of 39.3 hours per week, down seven-tenths of an hour from September and up two-tenths of an hour from October 2002.



*Happy Holidays*



## Consumer Price Index for All Urban Consumers

	Oct 03	Sept 03	Oct 02	% Change
				Prev. Year
All Items	185.0	185.2	181.3	2.0%

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

## Holiday Message from the Director

Marvin D. Perry, Director, and the staff of the Department of Labor and Training take this opportunity to wish a happy holiday season to the Rhode Island employer community and to all readers of the Employment Bulletin.

A special word of thanks is extended to those employers who assist the Department by providing essential employment information each month. Key indicators, such as industry employment levels, weekly production hours, and workers' earnings become the basis for both state and national reports and statistics prepared and published by the Department.

As individuals and as an agency, we pledge to do all we can to help people and companies through difficult economic times. Our effectiveness is heavily dependent on your cooperation in providing us with information. In the upcoming new year we will continue to provide timely data every month to assist readers of the Employment Bulletin in making informed economic decisions and planning for future employment needs.

Again, our thanks, and our best wishes for a happy, healthy and joyous holiday season.

## Manufacturing Employment in Rhode Island, Not Seasonally Adjusted October 2003

	Employment					Production Worker Averages					
	(in thousands)			Net Change From:		Weekly Hours			Hourly Earnings		
	Oct 03	Sept 03	Oct 02	Sept 03	Oct 02	Oct 03	Sept 03	Oct 02	Oct 03	Sept 03	Oct 02
<b>Manufacturing</b>	60.1	60.2	62.1	-100	-2000	39.3	40.0	39.1	12.92	12.88	12.80
<b>Durable Goods</b>	38.6	38.7	40.6	-100	-2000	38.6	39.0	38.7	12.93	12.90	12.81
Fabricated Metal Product Mfg.	8.3	8.4	8.7	-100	-400	39.8	39.5	39.6	11.54	11.49	11.33
Computer & Electronic Product Mfg.	4.9	4.9	5.2	0	-300	37.6	38.1	41.1	13.70	13.67	13.68
Electrical Equipment & Appliance Mfg.	2.9	2.9	2.9	0	0	36.7	36.9	38.8	9.53	9.51	9.56
Transportation Equipment Mfg.	3.8	3.8	3.8	0	0	40.3	41.0	38.9	15.34	15.37	15.32
Miscellaneous Manufacturing	11.4	11.5	12.5	-100	-1100	38.2	38.3	39.2	10.62	10.58	10.51
Jewelry and Silverware	8.5	8.6	9.4	-100	-900	39.6	39.3	41.0	10.04	10.01	9.98
<b>Non-Durable Goods</b>	21.5	21.5	21.5	0	0	40.6	41.6	39.9	12.90	12.85	12.79
Chemical Manufacturing	3.6	3.7	3.7	-100	-100	39.7	40.7	39.7	15.60	15.55	15.51
Plastics & Rubber Products Mfg.	3.4	3.4	3.2	0	200	39.3	40.3	42.2	14.64	14.62	14.58